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## ORIGIN

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## EVALUATE

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1. A recent inspection of factories in the heavy industry branch has revealed that production quotas cannot be filled to more than 80% at the best. This situation is attributed to lack of materials and machinery. When this inspection report was given to Col. Ruchkin of the Reparations Division, he transferred the deficit quota to factories in Rumania. 25X1
2. Ruchkin explained that it is not advisable to store up too much raw material in the Russian Zone at present since it is impossible to predict what will happen in the immediate future. He expressed the belief that serious developments after the London Conference are unavoidable and that he might then be justly accused of careless disposition of material. He added that he would likewise transfer part of the steel intended for the Russian Zone to another destination.
3. Ruchkin revealed that he is sponsoring a proposal to the Industrial Council which would limit production quotas according to the amounts of raw materials actually on hand and would import raw materials only on a month-to-month basis.
4. Ruchkin announced that ship and airplane construction remains top priority and will continue to be supplied with raw materials. Sabotage or carelessness will be punished with deportation in line with a new Sokolovsky order.

Comment: [redacted] which listed in detail the order of priorities, mentioned the production of parts and instruments for naval vessels and airplanes rather than ship and airplane construction, as stated above.

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